

IDS Comparative Assessment

IDS Comparative Assessment . . . Philadelphia IDS Comparison

AHERF-East was relatively weak compared to other Delaware Valley hospital systems pursuing the strategy.

Comparison of IDS Metrics – 1996

IDS Metric	Univ of PA	Frankford	Jefferson	Temple	Crozer Keystone	AHERF East	Albert Einstein	Graduate	CHI
Total Facilities									
Total Beds									
Avg. NPR per Facility									
Operating Margin Percentage									
Total Margin Percentage									
Avg. Discharges per Facility									
System Occupancy Percentage									
Total Score	5.6	5.2	5.0	5.0	4.6	4.6	3.8	3.0	1.6

	80th Percentile		60th Percentile		40th Percentile		20th Percentile		Bottom Quintile
1.0 point	0.8 point	0.6 point	0.4 point	0.2 point					

Note:

Hospital systems ordered left to right, highest overall relative score to lowest; IDS metrics given equal weight in scoring Harvey ball assignment per IDS metric is based upon relative rank order of health systems, i.e., top two health systems are 80th percentile or 1 point IDS financial metrics based upon consolidating hospital financial statements

System facilities are based upon ownership, affiliation or control for 1996 only

Source: Medicare Cost Reports, 1996; PA Health Care Cost Containment Council, 1996; BDC Advisors, LLC analysis

BDC Advisors, LLC

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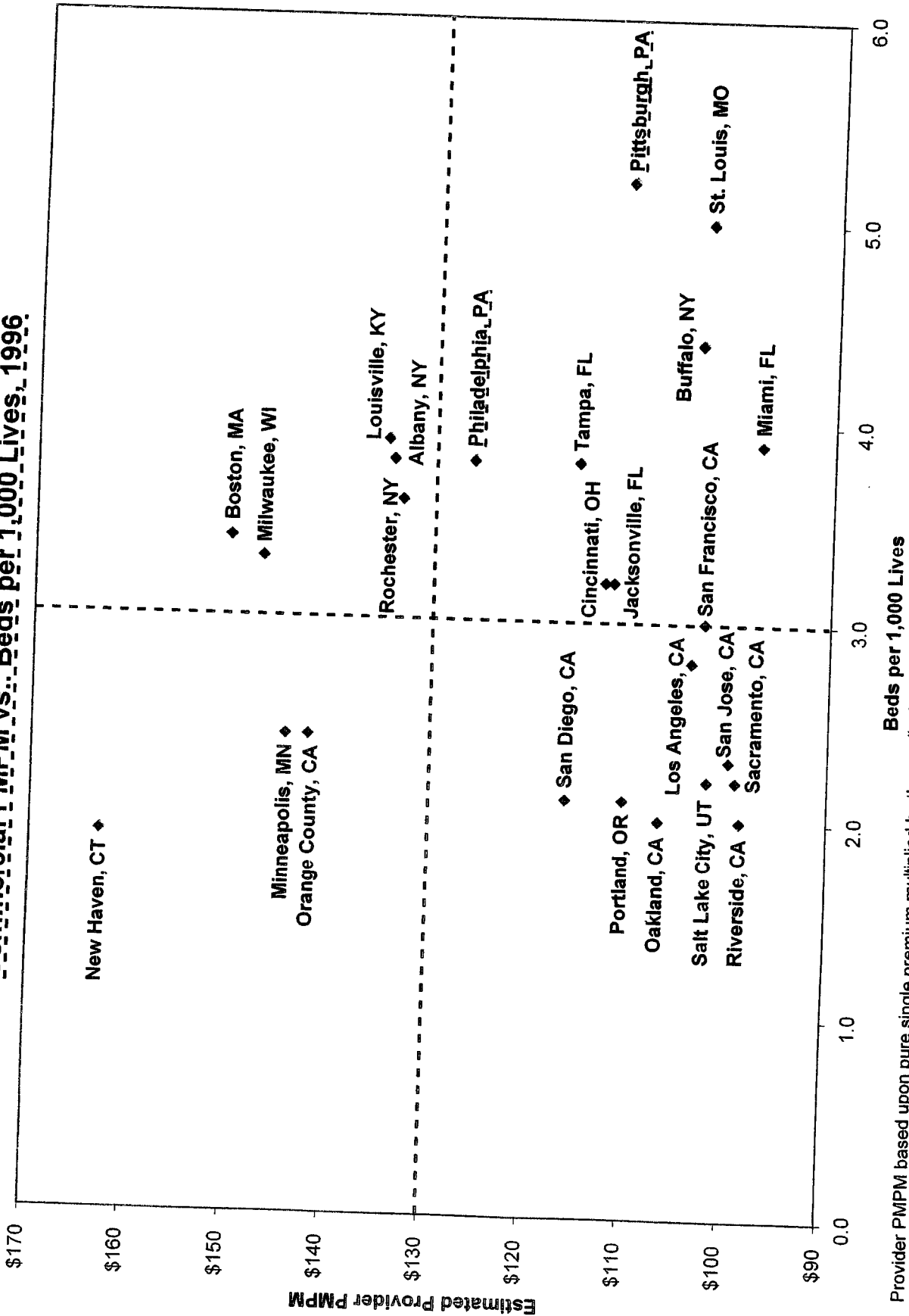
Philadelphia Region Integrated Delivery Systems, 1996

IDS Metric	AHERF-East	Albert Einstein	CHI	CHOP	Crozer-Keystone	Frankford	Graduate	Jefferson	Temple	Univ of PA
System Facilities	5	2	2	3	2	1	5	5	2	5
System Beds	1,652	701	418	381	793	343	982	1,864	663	1,502
NPR per Facility	\$ 150.5	\$ 141.6	\$ 62.8	\$ 100.8	\$ 176.1	\$ 177.4	\$ 72.7	\$ 140.2	\$ 174.7	\$ 169.1
Operating Margin %	-2.9%	-8.0%	-33.2%	-10.7%	-3.4%	1.4%	-13.5%	-1.7%	-1.2%	0.9%
Total Margin %	0.4%	2.9%	-26.7%	8.7%	-0.7%	7.2%	-2.4%	2.5%	5.5%	9.1%
Discharges per Facility	12,125	11,700	7,854	5,613	16,727	18,433	8,071	12,602	14,982	12,782
Occupancy %	69.7%	74.6%	58.2%	76.9%	70.8%	78.1%	59.6%	71.5%	79.3%	62.6%

Notes: Consolidating net patient revenue, operating margin and total margin may exclude inter-company transfers and may not equal IDS consolidated financial / operating performance
 System facilities are based upon ownership / joint venture / affiliation for 1996 only and excludes future years (e.g., 1997, 1998)
 Graduate Ran cocas Hospital (NJ) is based upon 1997 data
 Source: Medicare Cost Reports; Pennsylvania Health Care Cost Containment Council; BDC Advisors, LLC analysis

IDS Comparative Assessment ... MSA Comparison: PMPM vs. Beds

Commercial PMPM vs. Beds per 1,000 Lives, 1996

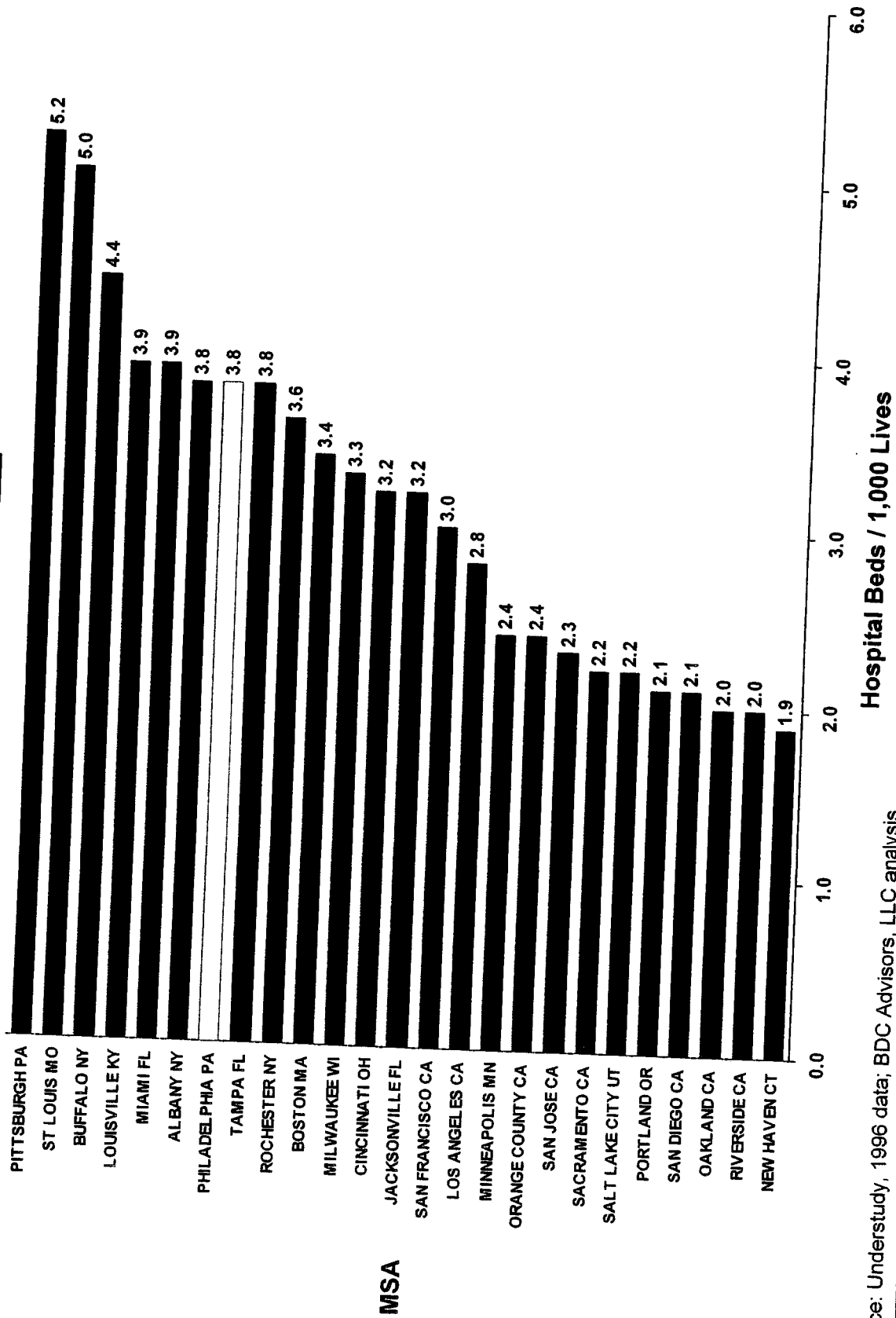


Note: Provider PMPM based upon pure single premium multiplied by the medical expense ratio; Source: Understudy, 1996 data; BDC Advisors, LLC analysis

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IDS Comparative Assessment ... MSA Comparison: Hospital Supply

MSA Bed Supply, 1996



Source: Understudy, 1996 data; BDC Advisors, LLC analysis

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